



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: October 26, 2001 REPORT NO. 01-235

ATTENTION: Land Use and Housing Committee
Agenda of October 31, 2001

SUBJECT: Housing Element Update

REFERENCE: Draft Housing Element dated August, 2001

SUMMARY

Issue - Should the Land Use and Housing Committee recommend to the City Council that it adopt the Housing Element Update as an amendment to the Progress Guide and General Plan?

Staff Recommendation - Recommend to the City Council that it adopt the Housing Element Update as an amendment to the Progress Guide and General Plan.

Planning Commission Recommendation - On October 18, 2001, in a joint meeting with the Housing Commission, the Planning Commission voted unanimously to recommend adoption of the Housing Element by the City Council, with a few changes. The vote was 5-0. The Commission's proposed modifications are discussed in this report.

Housing Commission Recommendation - In the same joint meeting, the Housing Commission also recommended unanimously to recommend adoption of the Housing Element by the City Council. The vote was also 5-0.

Community Planning Group Recommendation - On October 23, 2001, the Community Planners Committee voted to recommend adoption of the Housing Element, with several reservations. The vote was 21-4-1. The Committee's discussion is summarized in this report.

Environmental Impact - The City of San Diego as Lead Agency under CEQA has prepared and completed an Addendum to a Negative Declaration, LDR File No. 41-0858, dated October 4, 2001 covering this activity.

Fiscal Impact - Most programs proposed are already operational. Their funding levels are already in the current budget. Additionally, having an adopted and State-certified Housing Element makes the City eligible for certain State grant programs.

Code Enforcement Impact - The Housing Element includes policies and programs to guide housing code enforcement. Those recommendations essentially continue programs which are already operational.

Housing Affordability Impact - Although the Housing Element in and of itself would not create any additional affordable units, it provides a broad menu of policies and programs to facilitate housing for all income groups.

BACKGROUND

On September 18, 2001, the City Council voted to continue the hearing on the Housing Element until November 6th to allow an opportunity for review and recommendation by the Planning Commission, the Community Planners Committee, and Land Use and Housing Committee.

The City Council motion to continue the item also included direction to modify the program language regarding "minimum densities" to express support for implementing community plans without expressly stating support for incorporating minimum density requirements into zoning. See Attachment 1 for staff's proposed revisions to the Housing Element language.

Since the September 18th hearing, staff has met with City Council offices to get their input on Housing Element issues. As a result of those meetings, staff has elaborated on the list of measures to reduce regulatory constraints to provide additional background and context for each item on the list. See Attachment 2 for the proposed enhanced language.

Furthermore, in response to public testimony at City Council, staff agreed to add a program to the Housing Element that provides Housing Commission funds to pay moving expenses for Section 8 clients who move to "low poverty" neighborhoods. See Attachment 3 for this language.

Manager's Report 01-186, enclosed for the Committee, provides background information on the Housing Element, including major goals and recommendations, changes requested by the State in its review, and implementation efforts already underway.

It should be noted that since the City Council hearing on September 18th, an Addendum to the Negative Declaration for the Housing Element has been prepared. It was prepared because the projections of units projected to be constructed, rehabilitated, and conserved in the Housing Element had changed since the Negative Declaration was initially prepared. The Addendum updates the calculations. The requested November 6th City Council action will be modified to reflect the Addendum.

The Planning Commission and Housing Commission held a joint hearing on the Housing Element on October 18th. The Community Planners Committee considered the Housing Element on October 23rd. The DISCUSSION section of this report summarizes the testimony and discussion at the joint Planning Commission/Housing Commission hearing, and at the Community Planners Committee meeting.

DISCUSSION

Planning Commission/Housing Commission Joint Hearing

Public testimony and Commissioner discussion focused on the need for a more defined policy on demolition of existing affordable housing units and the related policy issue of providing incentives for replacement housing. Planning Commissioners expressed a desire to treat existing affordable housing units as a protected class, perhaps similar to historically significant buildings.

Related to this issue, it was suggested there be assurances that replacement housing in redevelopment project areas will be in the same project area that is impacted by the loss of existing units.

Other discussion focused on expansion of the goal on energy conservation to support the San Diego Regional Energy Office's programs and to expand the discussion of State Title 24 requirements concerning housing accessible to the disabled community.

At the conclusion of the discussion, both the Housing Commission and Planning Commission voted unanimously to recommend that the City Council adopt the Housing Element. The Planning Commission's vote included specific recommendations to (1) expand the goal on energy conservation to support the San Diego Regional Energy Office Programs; (2) expand the discussion of State Title 24 requirements concerning housing accessible to the disabled community; and (3) extend the estimates for generation of tax increment revenues in redevelopment project areas beyond FY 2000. The proposed changes are being researched and will be ready for City Council consideration on November 6th.

Community Planners Committee Discussion and Recommendation.

The Community Planners Committee considered the Housing Element on October 23, 2001. The Committee voted to recommend adoption of the Housing Element, with several reservations. The vote was 21 in favor, 4 opposed and 1 abstention. The motion included an expression of concern that the recommendations in the Housing Element are inadequate when measured against the housing need, and reservation about recommendations which would cause decisions on development projects to be ministerial rather than discretionary.

In the CPC discussion, members expressed significant support for improving community balance in San Diego with respect to the distribution and allocation of future affordable housing opportunities. They also expressed reservations about the list of potential code changes included

in the Element to facilitate the production of additional housing and to enhance affordability. The CPC members did not support proposals that would lessen project-based community review. Staff did explain that any revisions to regulations would be studied for feasibility with a full public discussion as part of the study process.

Other comments expressed reservation about a program in the Housing Element to reexamine the way in which impact fees are calculated, fearing that any reexamination could potentially lead to a reduction in fees and therefore revenue to provide needed public facilities. The recommendation to reexamine impact fees is in line with work underway through the Strategic Framework planning process to identify potential solutions to the infrastructure deficit in the older communities.

SUMMARY

As directed by the City Council on September 18, 2001, the Planning Commission and the CPC, as well as the Housing Commission, reviewed the draft Housing Element. All made recommendations in favor of adopting the Housing Element.

Respectfully submitted,

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Chief Executive Officer
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Attachment 1: Suggested Replacement Language for Minimum Density Program
Attachment 2: Proposed Enhancement of Language Regarding Regulatory Measures
Attachment 3: Proposed Language to Incorporate Relocation Fund for Section 8 Clientele

Enclosed for Land Use and Housing Committee Members: Managers Report 01-189